



SEALED BID AUCTION
Frequently Asked Questions

Question 1

How do I place my sealed bid?

Interested bidders must submit their written sealed bids to the City's Finance Department/Purchasing Division no later than 2:00 P.M. on 5/10/2016. Bids submitted after 2:00 P.M. on 5/10/2016 will not be considered.

The sealed bid must be sent through registered mail, courier, or delivered in person. Please note: oral, telephonic, facsimile, telegraphic or electronically transmitted bids are invalid and will not be accepted.

All written bids must be submitted with a \$200,000 Bid Deposit*. Please refer to Sealed Bid Instructions for details.

**Bid Deposits must be made payable to the City of Fremont in the form of a cashier's check, certified check, or money order.*

Question 2

Will there be opportunities to view the subject property prior to the auction?

Site tour is available upon request. Please contact Eva Ip, Real Property Agent, at eip@fremont.gov for arrangements.

Question 3

What is the date, time and location of the Sealed Bid Opening?

Date	May 10, 2016 (Tuesday)
Starts at:	2:00 P.M.
Location:	City of Fremont Purchasing Division – Finance Department 3300 Capitol Avenue, Building B, Fremont, CA 94538

Question 4

How will the Sealed Bid Opening be conducted?

At 2:00 PM on 5/10/2016, all bids received are opened and read aloud at the bid opening. In the event where the City receives written bids that result in a tie, an oral bid auction will be held immediately after the sealed bid opening. Only the highest bidders who made the same offer will be allowed to participate.

Question 5

Will the City return my bid deposit if I am not the successful bidder?

Yes, if you are not the successful bidder, your bidding deposit will be returned to you promptly at the end of the auction.

Question 6

Please describe the amounts and what is involved in making a purchase deposit.

The deposits will be made by the successful bidder in the following sequence:

1. Initial Purchase Deposit

The successful bidder's original bid deposit of \$200,000 will become the "Initial Purchase Deposit," which will be part of the Initial Purchase Deposits and shall be credited toward the purchase price at close of escrow.

2. Second Purchase Price Deposit to escrow

Within seven (7) business days of the City Council's approval of the Purchase and Sale Agreement, the successful bidder shall deposit into escrow an additional sum to increase the Initial Purchase Deposit to an amount equal to two (2%) of the Purchase Price. The full deposit shall be credited toward the purchase price at the close of escrow.

3. Third Purchase Price Deposit to escrow

On or about February 28, 2017, the successful bidder shall deposit into escrow an additional sum to increase the Second Purchase Price Deposit to an amount equal to five (5%) of the Purchase Price. The full deposit shall be credited toward the purchase price at the close of escrow.

The refund of the deposits is subject to and governed by the provisions of Section 4 of Purchase and Sale Agreement.

Question 7

What is the 60-Day Due Diligence period?

The Due Diligence period is for the successful bidder, at his/her own expense, to investigate and study the property. During this period, the bidder may determine in its sole and absolute discretion whether to continue with the purchase. If the buyer chooses not to go forward with the purchase, the buyer must notify the City in writing of this decision on or before 5:00 p.m. of the last day of the Due Diligence period. The City, upon receipt of such notice, will instruct the escrow company to return the Purchase Deposits, less the sum of \$20,000 to cover the City's costs, to the successful bidder as described in Section 4.b of the Purchase and Sale Agreement.

Question 8

Will City financing be available?

No, the City of Fremont does not offer any financing to the bidder, and the City will not accept property in exchange.

Question 9

What will happen next if I am the highest bidder?

Immediately after the conclusion of the bidding session, the highest bidder must sign the Real Property Purchase and Sale Agreement. This signed agreement will be presented to the City Council for approval at its regularly scheduled meeting on June 7, 2016. Once the City Council approves the winning bid and authorizes execution of the Purchase and Sale Agreement, City will execute the agreement, and open the escrow within seven (7) business days of the City Council's approval of the Purchase and Sale Agreement.

Question 10

Can the Council reject the highest bid?

Yes, the City Council, in its sole discretion, will determine the bid award. The City Council reserves the right to reject any and all bids, to waive irregularities in the bidding process and to withdraw any and all of the described real property from sale.

Question 11

How would the parcel be conveyed to the successful bidder(s)?

The parcel shall be conveyed in the form of a "Grant Deed" on an "As Is" basis. The parcel will be based on the description approved by the City Engineer, and the title shall be subject to all easements, public utilities, restrictions, covenants, conditions of record, and any other special restrictions described in the preliminary title report dated December 24, 2015. The name of the grantee in the deed shall be the same as the name provided in the written bid form.

Question 12

Will the sale be handled by an escrow company?

Yes, the City will open an escrow at North American Title Company within seven (7) business days of the City Council's approval of the Purchase and Sale Agreement. Provided Buyer is not in default under any term or provision of the Purchase and Sale Agreement, Buyer shall have fifteen (15) months from said execution date to close escrow, and provide City with a written notice of the close of escrow at least ten (10) days in advance of such close, but in no event shall escrow close later than September 15, 2017. The buyer shall pay all closing costs. Possession of the property will be delivered at close of escrow.

Question 13

If the highest bidder withdrew from the bid or failed to close escrow, will the second highest bidder get the bid?

Subject to City Council approval, the property may be awarded to the second highest bidder if the bid meets at least the minimum required amount. If so, all sales and escrow requirements and procedures will start over. However, it is possible the City could determine to begin a new bid process and readvertise for bids.

Question 14

I am a real estate broker, and will I get a commission from the sale if my client becomes the successful bidder?

All bids must be net of a broker's commission. The City of Fremont will not pay a buyer's commission on a bid to purchase the property.

Question 15

Will the City guarantee the type of development for the property?

The property is being sold "as-is" with no representations or warranties. The City of Fremont makes no representation as to the potential uses of this property. All potential bidders are urged to visit the City's Planning Department at 39550 Liberty Street, Fremont, or call 510-494-4440 regarding zoning, building restrictions, ultimate development, etc. The successful bidder will be permitted reasonable access to the property during the due diligence period to perform tests, studies or inspections on the property at the bidder's own expense.

Disclaimer: The properties are being sold "as is" and City of Fremont makes no representation and warranty as to the potential uses of these properties, and reserves the right to withdraw the properties from the market without further notice. The information contained herein was obtained from what are believed to be reliable sources; however, no warranty, either expressed or implied, is given as to its completeness or accuracy. Bidder is cautioned to make an independent investigation of all information contained herein.